



NEWS RELEASE

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USDA Announces Limited Global Import Quota for Upland Cotton

WASHINGTON, May 2, 2011 - The Department of Agriculture today announced a limited global market quota that will allow additional U.S. imports of up to 104,259,811 pounds (47,291,415 kilograms) of upland cotton.

The 90-day effective period for this quota starts May 3, 2011, and ends July 31, 2011. To be counted under this quota, cotton must be imported within this time period.

The Agricultural Act of 1949, as amended, requires the President to establish a limited global import quota whenever the Secretary of Agriculture determines and announces that the average price of the base quality of upland cotton in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in such markets for the preceding 36 months.

In April 2011, the average spot market price for Strict Low Middling (SLM) 1-1/16 inch (leaf grade 4, micronaire 3.5-3.6 and 4.3-4.9, strength 24-25 grams per tex) upland cotton was 181.98 cents per pound, which is 242.8 percent of the April 2008 through March 2011 average price.

The 1949 Act also requires the amount of the limited global import quota to be equal to 21 days of domestic mill consumption of upland cotton at the seasonally-adjusted average rate of the most recent three months for which data are available. The quantity of upland cotton established by the limited global import quota is based on domestic mill consumption for the January 2011 through March 2011 period.

The limited global import quota for upland cotton is not specific as to staple length or country of origin. Any quantities imported are not subject to the over-quota tariff rate of a tariff-rate quota.

The effective period of this limited global import quota may not overlap the period of any special import quota that might otherwise be determined as provided by PL 110-246. Therefore, any special import quota that would otherwise be announced if the U.S. Far East price exceeds the prevailing world market price for a consecutive 4-week period will not be announced or established during the effective period of this special limited global import quota.